NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 8th day of January, 2008, by and between Forest Park Blvd LLC, Lessor whose address is 2409 Forest Park Blvd., Fort Worth, TX 76110 and FOUR SEVENS ENERGY CO., LLC, 201 Main Street 1455, Fort Worth, Texas, 76102, as Lessee. All printed portions of this tease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

land, hereinafter called leased premises:

Tract #1 - Lot A & B, of the T.P. Wilkes Subdivision, of portions of Lots 12 and 13, Block 17, Berkeley Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 1765, Page 384, of the plat records, Tarrant County, Texas.

Tract #2 – Lot C & D, of the T.P. Wilkes Subdivision, , an addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat and Dedication recorded in Volume 1765, Page 384, of the plat records, Tarrant County, Texas, <u>SAVE AND EXCEPT</u> Lot D, of the T.P. Wilkes Subdivision, being more particularly described in Warranty Deed #D173143793, recorded in Volume 5561, Page 339, from Reproco Inc. to J.E. Cherry, Deed Records of Tarrant County,

in the county of Tarrant, State of TEXAS, containing .6073 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes belium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 25% of such production, to be delivered at Lessee's option to Lessor's transportation facilities, the royalty shall be 25% of such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 25% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of all valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are shuf-in or production therefrom is not being sold by Lessee, such payment to be made to Lessor's credit in the depository designated below, on or before the end of said 90
- which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive
- at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason had or returned to accept payment hereunder, Lesses or the Lessee a proper recordable instrumentaming another institution, as depository agent to receive payments.

 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities, (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pressured to the provisions of Paragraph 6 or the action of any governmental authority, then in the event lisease is not otherwise being maintained in force it shall nevertheless remain in force it can be not of the primary form, or at any time thereafter, this lease is not otherwise being maintained in force or within 90 days, after such ceasafter of operations on such dry hole upon a start such ceasafter of all the ord of the primary form, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee after such ceasafter of the primary form, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee after such ceasafter of the primary form, or at any time thereafter, this lease is not otherwise being maintained in force or only as any one or time or such appearance of producing in paying quantities and the producing in a paying quantities from the leased premises or lands pooled therewish. After completion of a well capable of producing in paying quantities of producing in paying quantities from the leased premises or shall be no coverant to drill exploratory wells or any part of the leased premises from uncorrepressed thereins and a producing in paying quantities or provided premises or lands pooled therewish. The start producing producing and paying quantities hereins of the leased premis
- such part of the leased premises.
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shalt extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalities

see may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder, Lessee may pay or lender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to is hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each. pay or tender shut-in royaltie

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

scordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oit, gas and other substances covered hereby on the leased premises or lands pooled or unitized herew primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines. tanks, water wells, di sposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, see may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premis store, treat and/or transport production. Les except water from Lessor's wells or ponds. In eveloping, producing or marketing from the leased premises or lands pooled therewith, the ancittary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or bern now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Noise levels associated with Lessee's operations related to drifting, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonably available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drillsites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric powered equipment in its operations, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment. Lessee will follow all applicable city ordinances law regarding noise. The Lessee will not place any gas compression station within 1000 feet from the boundaries of the neighborhoods of Berkeley Place and

reyan Place.

12. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabolage, rebellion, insurrection, riot, strike or labor disputes, or by inability to volute, electricity, titel, access or easements, or by fire, nound, adverse vectorists, wai, salorage, recently, titel, since or labor deplete, or y making, with salorage, recently, titel, some or labor deplete, or y making, with salorage, recently any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and al Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when driffing, production or other operations are so prevented, delayed or interrupted.

13. Lessee hereby releases and discharges Lessor and the owner of the surface estate, along with their officers, employees, partners, agents, contractors, subcontractors, guests and invitees, and their respective heirs, successors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action

of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or at the drill site or operations site or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Lease, or by any other negligent or strictly tiable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all claims, liabilities, losses, damages, actions, property damage, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, statute or strict liability, including attorney fees and other legal expenses, including those related to environmental hazards on or under the leased premises or at the drill site or operations site or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities in, on or under the leased premises or at the drill site or operations site; those arising from Lessee's use of the surface or subsurface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the lemms or provisions of this Lease or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees and their respective successors and assigns. Each assignee of this Lease, or of an interest herein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activities of Lessee, its officers, employees and agents as described above.

provided above in connection with the activities of Lessee, its officers, employees and agents as described above.

14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase. Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered

and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the prior and according to the terms and conditions specified in the offer.

15. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee. written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so. 16. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface easements shall run with the land and survive any termination of this lease.

17. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

18. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's s executors, administrators, successors and assigns, whether or not this lease has be

LESSOR (WHETHER ONE OR MORE) Forest Park Blvd., L.J.C., a Texas Librited Lebbility Company By: Gus Stewart Bates, Manager
SEE EXIHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF
CORPORATE ACKNOWLEDGMENT
STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the
Notary Dublin State of Tayas

EXHIBIT "A"

Attached to and made a part of that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the 8th day of January, 2008, by and between Forest Park Blvd. LLC, as Lessor, and FOUR SEVENS ENERGY CO., L.L.C., as Lessee.

- 19. <u>No Warranty of Title:</u> This Lease is given subject to all mineral reservations and other matters of record. Lessor warrants that Lessor is the owner of the surface of the Land, but does not warrant, expressly or impliedly, title to minerals. Lessee is relying upon its own title search.
- 20. Royalty: It is agreed and understood that Lessor's royalty interest will never be charged with any part of Lessee's direct cost of producing, storing, separating, dehydrating, compressing, transporting (excluding common carrier tariffs if the sales price is a market value price at a delivery point significantly removed from the wellhead.) It is agreed between the Lessor and Lessee, that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
- Limited to Hydrocarbons: It is also expressly understood that this lease covers only Oil, Gas and other hydrocarbon substances, including sulfur produced in conjunction therewith, in and under the above described property, and that accordingly all other associated substances and minerals are excepted from the terms and provisions of this lease and reserved to Lessor.
- <u>Vertical Severance</u>: After the expiration of the primary term of this lease, or after cessation of continuous development as provided herein, whichever occurs last, this lease shall terminate as to all depths lying below 100 feet below the stratigraphic equivalent of the deepest depth for which production casing has been set by Lessee on the above described premises or upon land with which these lands may be pooled for production.
- 23. <u>Horizontal Severance:</u> At the expiration of the Primary Term, all acres of land not then included in a producing proration unit consisting of land approved for said well by the State of Texas Railroad Commission or other governmental regulatory body or competent jurisdiction, shall be released by Lessee and a release filed of record in the county where the property is located and a copy furnished to Lessor.
- 24. Release: It is understood and agreed, notwithstanding anything to the contrary contained herein, that within Forty-five (45) days after this lease has expired or any portion thereof has terminated, Lessee or any assignee thereof shall furnish Lessor, or Lessor's heirs or assigns, with a recordable release of this lease or such portions which have been terminated under the terms of this lease agreement. If Lessor makes written demand of Lessee to furnish a release or partial release and Lessee fails or refuses to do so within 30 days after receipt of the written demand, then Lessee shall reimburse Lessor for all
- 25. <u>Addendum Provisions Govern:</u> The foregoing Addendum and the provisions of the Addendum shall supersede and govern the provisions of the lease, wherever those provisions are in conflict with the Addendum. This lease, including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and other respective heirs, representatives, successors and assigns.
- 26. <u>Shut-In Royalty Clause Limitation:</u> Notwithstanding any provision contained herein to the contrary, after the end of the Primary Term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as provided heretofore, for any one shut-in period of more than two (2) years.
- 27. No Salt Water or Waste Injection Wells. Lessee shall not have the right to dispose of produced water or wastes of any kind in, on or under the leased premises.

- 28. Proportionate Reduction. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises; provided, however, there shall be no refund of any amounts previously paid to Lessor as lease bonus, royalty or otherwise.
- 29. <u>Division Orders</u>. The terms of this Lease may not be amended by any division order.

This instrument is executed on the date first above written.

LESSOR:

Forest Park Blvd LLC

Gus Stewart Bates, Manager

Signed for Identification



CHESAPEAKE ENERGY CORP 301 COMMERCE STE STE 600

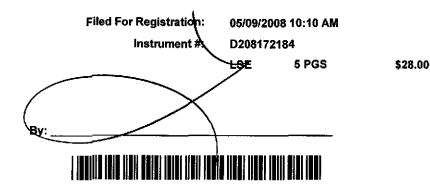
FT WORTH

TX 76102

Submitter: CHESAPEAKE ENERGY CORPORATION

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



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